

BROADBAND EXPANSION GRANT APPLICATION

For Fiscal Year 2022

<p>Primary Applicant (Name and Address):</p> <p>Somerset Telephone Company, Inc. d.b.a. Northwest Communications 116 Harriman Ave N Amery WI 54001</p>	<p>Applications MUST be UPLOADED to ERF via the Commission's website, http://psc.wi.gov/apps35/ERF_upload/content/mymenu.aspx. Refer to section 2.3 for detailed instructions.</p> <p>Applications are due and MUST be uploaded to ERF no later than: March 17, 2022 at 4:00pm (16:00) Central Time. Late applications will not be accepted.</p>
	<p>Contact for further information: PSCStatebroadbandoffice@wisconsin.gov</p>
	<p>Date: December 1, 2021</p>
<p>The Public Service Commission of Wisconsin is seeking applications for Broadband Expansion Grants. The Commission may award one or more grants during Fiscal Year 2022 to public and private entities that meet the eligibility requirements set forth in Wis. Stat. § 196.504. This grant round will be funded with bond proceeds authorized by the Wisconsin Building Commission pursuant to Wis. Stat. § 13.48(30). As such, successful applicants are subject to the requirements of Wis. Stat. § 13.48(30). Successful applicants will demonstrate a clear and achievable plan to improve broadband communications services in one or more underserved areas in the State.</p>	
<p>Applicant Certification: In signing this application, the undersigned verifies under penalty of perjury that the Applicant and its employees and agents have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition with respect to this application; that no attempt has been made to induce any other person or firm to submit or not to submit an application; that this application has been independently arrived at without collusion with any other proposer, competitor or potential competitor; that this application has not been knowingly disclosed prior to the opening of applications to any other applicant or competitor; that all of the responses and representations of Applicant in this application are true and correct to the best of the undersigned's knowledge, information, and belief; and that Applicant agrees to, accepts, and will comply with all of the terms and conditions respecting this application and any award of a broadband expansion grant as may be established in a grant award Agreement.</p>	
<p>Name of Authorized Representative (Type or Print)</p> <p>Michael D Jensen</p>	<p>Title</p> <p>President</p>
<p>Phone (715) 268-7101</p>	
<p>Signature of Authorized Representative</p> <p><i>Michael D Jensen</i></p>	<p>Date</p> <p>03/16/2022</p>

SUMMARY OF GRANT APPLICATION

Primary Applicant Name Somerset Telephone Company, Inc. d.b.a. Northwest Communications	Amount of Broadband Grant Request (round to nearest dollar) \$834,911		
Federal Employer Identification No. 39-0930755	Amount of Matching Funds Pledged (round to nearest dollar) \$868,989		
Contact Name and Title Scott Jensen, Vice President	Total Cost of Proposed Project (round to nearest dollar) \$1,703,900		
Telephone Number (715) 268-7101	Project Name Town of Stanton FTTH project		
E-mail Address(es) sjensen@amerytel.net	Type of Proposed Broadband Service (FTTH, Cable, DSL, etc.) FTTH		
Grant Manager, if different than Primary Applicant N/A	Type of Proposed Project (Last-mile, Middle-Mile, backbone, other) Last Mile		
Grant Manager Contact Name N/A	Grant Manager Email Address and Telephone Number N/A		
If the application proposes a public-private partnership, list the names, addresses, and FEINs of the partner companies or organizations <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> St. Croix County 1101 Carmichael Rd Hudson, WI 54016 FEIN: 39-6005739 </td> <td style="width: 50%; vertical-align: top;"> Town of Stanton 2245 County Rd T Deer Park, WI 54007 FEIN: 39-1433268 </td> </tr> </table>		St. Croix County 1101 Carmichael Rd Hudson, WI 54016 FEIN: 39-6005739	Town of Stanton 2245 County Rd T Deer Park, WI 54007 FEIN: 39-1433268
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Brief Project Description (2 sentences) This project proposes a Fiber-To-The-Home (FTTH) fiber optic network to approximately 339 locations in the Town of Stanton, St Croix County Wisconsin.			
Maximum Proposed Download Transmission Speed 1 Gbps	Maximum Proposed Upload Transmission Speed 1 Gbps		
Minimum Proposed Download Speed to Customer Location 50 Mbps	Minimum Proposed Upload Transmission Speed to Customer Location 20 Mbps		
County or Counties served by this project St Croix County	Community or Communities served by this project Town of Stanton		

List of the broadband service providers, if any, currently serving the area the applicant proposes to serve Frontier Communications	
Does proposed project serve an <u>unserved</u> area of the State, as defined in Section 1.4 of the application instruction? (yes/no) NO	Is the Applicant certified as a Broadband Forward! Community or Telecommuter Forward! Community, or does the grant project propose to serve a Broadband Forward! Community or Telecommuter Forward! Community? (yes/no) NO
For last mile projects or component the expected number of Business Locations that will have access to the improved broadband service (i.e., total business locations passed or with new service access). 12	For last mile projects or components the expected number of Residential Locations that will have access to the improved broadband service (i.e., total residential locations passed or with new service access). 327
Of the improved business locations, how many locations are <i>unserved</i> ? 0	Of the improved residential locations, how many are <i>unserved</i> ? 0
For providers that are eligible telecommunications carriers will the proposed broadband service be available to Lifeline customers? (yes/no) YES	Are there any programs available for low-income households to access low-cost service or discounts? (yes/no) YES
Is the internet service provider currently participating in the Emergency Broadband Benefit Program? (yes/no) NO	Is the internet service provider currently participating in the Department of Public Instruction and CESA purchasing's Digital Learning Bridge? (yes/no) YES
Did the internet service provider participate in the Public Service Commission's voluntary Broadband Coverage Data Collection in 2021? (yes/no) YES	

FY22 Broadband Expansion Grant Application

Budget & Income Summary



Please complete this form using Microsoft Excel. A PDF copy must be attached to your application as page four. In addition, this form must also be uploaded to ERF in Excel format.

Grant Summary

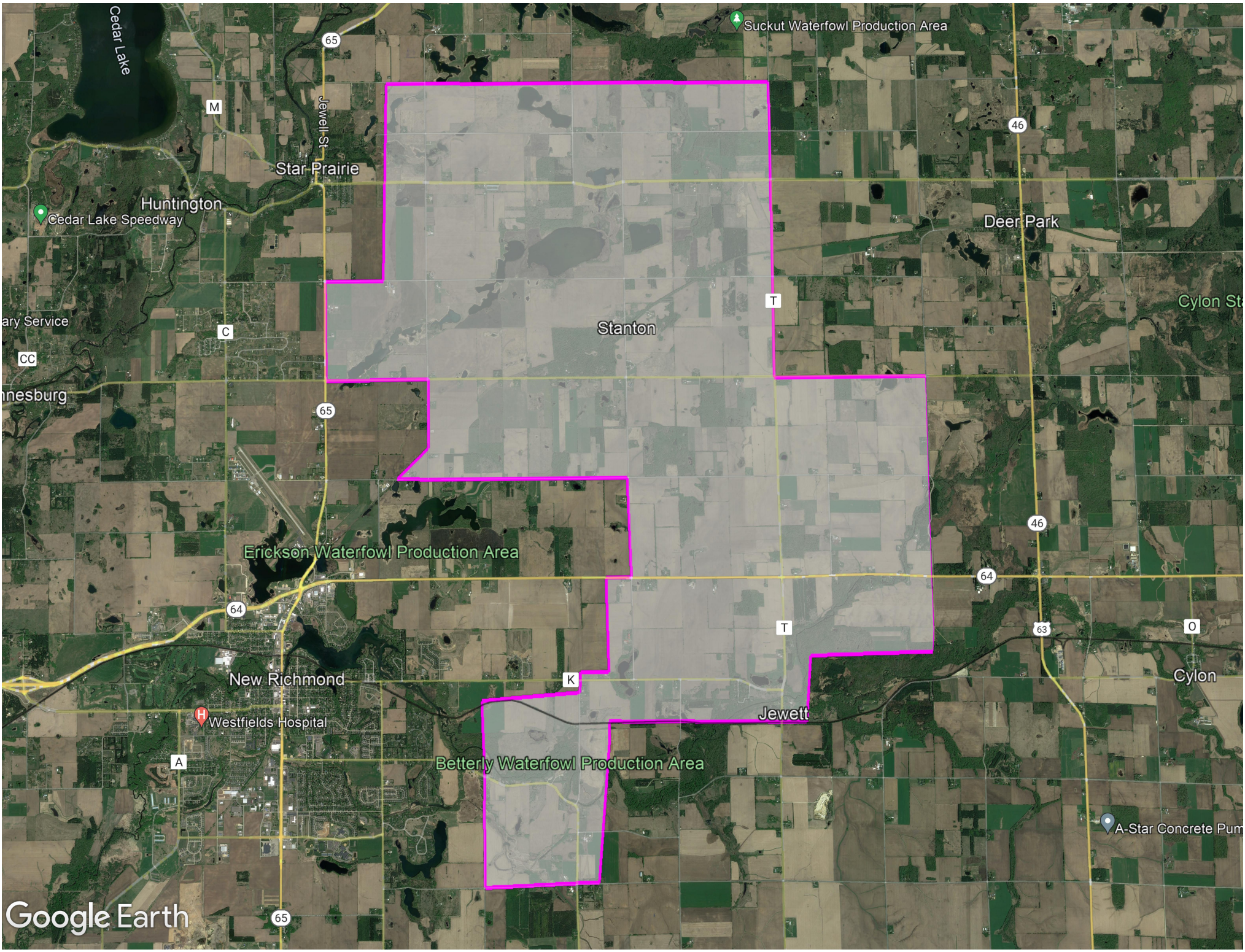
Grant Applicant:	Project:
Somerset Telephone Company Inc	Town of Stanton FTTH

Budget

Line:	Description / Category:	Grant Funds:	Match:	Total:
1	Contractual, Consultant Fees	\$ 728,385.00	\$ 758,115.00	\$ 1,486,500.00
2	Equipment	\$ 106,526.00	\$ 110,874.00	\$ 217,400.00
3	Supplies			\$ -
4	Labor (Salary, Fringe)			\$ -
5	Permitting, Licensing Fees			\$ -
6	Travel			\$ -
7	Other			\$ -
Total:		\$ 834,911.00	\$ 868,989.00	\$ 1,703,900.00
		51.0% match requested		

Pledged Contributions

#:	Entity:	Entity Type:	Pledge Type:	Pledge:
1	Somerset Telephone Company Inc	Applicant	Cash	\$ 433,014.00
2	St Croix County	Partner	Cash	\$ 425,975.00
3	Town of Stanton	Partner	Cash	\$ 10,000.00
4				
5				
6				
7				
8				
9				
10				
Total:				\$ 868,989.00



The Township of Stanton PSC Grant Request

3.2.1 The applicant of this Wisconsin PSC Grant is Somerset Telephone Company

a. Somerset Telephone Company

116 Harriman Ave N

Amery, WI 54001

715-268-7101

Scott Jensen – sjensen@amerytel.net

b. Somerset Telephone Company proposes a Fiber-To-The-Home public/private partnership with the Town of Stanton and St. Croix County.

Contact for St. Croix County:

Ken Witt, County Administrator

1101 Carmichael Rd

Hudson, WI 54016

Contact for the Town of Stanton:

Sharon Balcerek, Clerk-Treasurer

2245 County Rd T

Deer Park, WI 54007

c. Somerset Telephone Company is a wholly owned subsidiary of Amery Telcom, a telecommunications utility authorized by the Wisconsin Public Service Commission. Somerset Telephone Company is doing business as Northwest Communications and its affiliates currently provide telephone, cable TV and high-speed broadband service to over 12,500 customers in Northwestern Wisconsin. Amery Telcom is a locally owned company that has provided service in the area for over 124 years.

3.2.2

a) Somerset Telephone Company is applying for a Wisconsin PSC Broadband Grant to build a 1 Gig GPON Fiber-To-The-Home ("FTTH") project to 339 customers in underserved areas mostly in Stanton Township, WI ("Project"). The project areas is targeting last mile construction to an area that lacks adequate broadband in this part of rural Stanton Township in northern part of St. Croix County.

The proposed area to be served with this grant is currently only served by DSL from Frontier Communications. The PSC Broadband Map shows Frontier as the only provider at speeds of 6/1. Very few customers in these areas get more than 6/1 and most get less. Certainly, all get less than 25/3. Frontier has been unwilling and unable to provide adequate broadband to this area.

The project will employ GPON over buried fiber to connect to residents' homes. Fiber provides greater capabilities and more favorable economics over the useful life of the network. This tried-and-true

technology is the gold standard of today and offers the best way to future proof networks. The FCC has valued this technology over all others.

The total cost of the project is \$2,561,200 and the amount being requested is \$834,911, which is about 33% of the total construction cost of the project. For grant purposes, the amount being requested is 49% of the mainline construction of \$1,703,900. Cost for engineering, staking, inspection, service drop, installation and customer electronics will be paid by Somerset Telephone Company.

This grant application proposes a last mile FTTH project partnering with St. Croix County and the Town of Stanton. It will be built by a locally owned and operated company with extensive experience in broadband deployment. Somerset Telephone Company and its affiliates has no other agreements or plans to build service within the project area.

The County of St. Croix has chosen and funded this project area has the one of highest need in the county. Somerset Telephone Company has worked with the Wisconsin Department of Education, the public schools and has participated in the Wisconsin School Cares Support Program to provide discounts to eligible students. Somerset Telephone Company is also part of the new Affordable Connectivity Plan.

Somerset Telephone Company has the financial, technical, operation capacity and experience that has completed many other grant programs on time and within budget.

Somerset Telephone Company staff will work with the Commission staff to provide maps or any other information on the project in an electronic format. The census blocks included in the project area will also be available upon Commission request. Thank you for your consideration.

b) There appears to be no census blocks in this grant application project area that are shown on the PSC map that are currently served.

c) This project in the Township of Stanton will increase broadband access immensely. The only wireline provider in the area is Frontier Communications. Frontier provides DSL service at speeds less than 23/3 and for most residents far less, which is not adequate for today. This Fiber-To-The-Home project will provide speeds up to 1 Gig each way and can be reconfigured to 10 Gig service. The project will pass 327 homes and 12 businesses and unknown seasonal residents. The speed packages offered will start at 50/20, but packages are available to 1 Gig and beyond.

d) This project is planned as a last mile project but is not unusual to use spare fibers to extend into adjacent areas.

e) This project will be Fiber-To-The-Home using GPON service. GPON service uses 2.4 Gig of service split over a maximum of 32 ports. But rural design almost never works out to use all 32 ports. Calix now has enhanced equipment to provide 10 Gig GPON. Each GPON blade is monitored to maintain services for all customers.

f) There is no middle mile planned for this project.

g) The plan is to complete the mainline construction within 24 months. We have completed all grants on time even though it has become more difficult because of availability of supplies and supply chain issues. This grant is only asking for funds for mainline construction, so this increases the likelihood that

it will be completed within 24 months. Customer drops and installation will be done as requested over time.

3.2.3 Budget

a) All facilities installed will be owned and operated by Somerset Telephone Company and its affiliates in the same manner as all other service areas. No land or buildings need to be purchased. Grant funds and matching funds will be used for the sole purpose of implementing mainline broadband facilities in the proposed grant areas. This area is an extension of our existing service area, thus not requiring middle mile construction and limited electronics.

Somerset Telephone Company is not requesting funding for project planning, pre-engineering, and construction permits. Somerset Telephone Company is asking for 49% of last mile mainline fiber construction plus peds, splicing and electronics. We are not asking for funding for installation of fiber drops to the house, splicing of drops, installation at the house or Wi-Fi fiber terminal. The total cost of the project is \$2,561,200 and is made up of the following:

Fiber	\$134,400
Contractor's cost of installation of fiber	\$1,222,500
Splicing	\$264,000
Peds	\$ 48,000
Electronics	\$ 35,000
Cost included in grant request	\$1,703,900
Cost of drops, fiber terminal, installation and splicing	\$847,500
Engineering & inspection	\$ 8,000
Permits	\$ 1,800
Total Project Cost	\$2,561,200
Grant Request	<u>\$ 834,911</u>

St. Croix County will be providing \$425,975.

Township of Stanton will be providing \$10,000.

b) The PSC grant money for this project will only be used to construct mainline fiber, splicing and electronics. The PSC will be supplied with only invoices for materials and construction as part of this grant. As Somerset Telephone Company is not receiving 100% of the project cost, no money will go to operating costs, profits or subsidized customer bills.

c) The sole purpose of the grant funds will only be used for mainline construction of broadband infrastructure and like past grants, vendor invoices will be provided to the PSC for verification.

3.2.4

a) Funds will be provided by St. Croix County of \$425,975 and the Town of Stanton of \$10,000 (see letters attached).

b) Somerset Telephone Company will be partnering with St. Croix County and the Town of Stanton. They will be providing funds to help build high-speed broadband to the area. They will not be involved in the operation of the network but will help in any way possible bring high-speed broadband to this area of the county.

St. Croix County has been very active in promoting broadband in the County. The County has invited local providers and have been actively engaged in the planning, permitting and marketing of broadband to the diverse communities in St. Croix County.

c) The only wireline broadband service provided now in the area is DSL from Frontier Communications. There is no other Fiber-to-the-Home provider in this project areas and no other duplication of this service planned to our knowledge. We are not aware of any point-to-point wireless providers in this area. No doubt many residents use mobile cell phones in this area, but most find this service for the home as not appropriate broadband service. This is not a middle mile project.

d) According to the Wisconsin DOA, St. Croix County is the 3rd fastest gainer by percent for population in the state. Unfortunately, most of the growth has been in and around the City of Hudson, Wisconsin and the eastern rural part of the County has not seen much of any growth. Rural areas without adequate broadband do not attract new housing and the areas can become stagnant or deteriorate. Obviously, there is a need for higher speed broadband in this area and broadband could be the way forward, allowing work from home, remote education, and healthcare to lift up the economic status of these areas.

Customers can start at 50/20 for our fiber connection at \$69.95 (including Wi-Fi modem) if bundled with another service, and even less with a discount program like the Affordable Connectivity Program, which will give a \$30 credit to those households that qualify. It is hopeful that with the possible changes to the Lifeline Program customers that qualify could get high-speed broadband for less than \$30.

This underserved area passes 339 customers. The estimated take rate of fiber service in these locations with little or no internet is well over 70% after 3 years. There are seasonal residents, tourists, and farming in this area. Crop farming is a major part of the economy, but crop farms have become very large, and it takes a lot of fiber plowed around and through them to reach the houses. Because of the relative short distance to a major metro area (Minneapolis and St. Paul) the area is in great need of adequate broadband to allow residents to work from home. It is hoped that with high-speed broadband these areas can also attract business to help this part of the state.

e) This project is Fiber-to-the-Home and is scalable and therefore provides the pathway to possible growth even beyond this area. Spare fiber can and will be available to provide the backbone to extend past this project while maintaining the quality of service. Somerset Telephone Company will be offering quality telephone and Cable TV services in the area as part of the service. Our Cable TV for most of the residents in this area it will be the only Wisconsin news and sports available to them in this part of Wisconsin.

This project is only viable because of already serving high-speed broadband in the Somerset exchange, which makes it possible to extend service south into Stanton Township.

f) See letter from St. Croix County.

g) To our knowledge this project will not impair the ability of other broadband service providers from extending service to adjacent areas.

3.2.5

a) Somerset Telephone Company and its affiliates is a 124-year-old service company that has offered Internet services for many years. In the 1990's dial up was offered, then in 2001 DSL was launched, cable modem was deployed in 2002 and in 2013 began the conversion to Fiber-to-the-Home using GPON technology. Today, Somerset Telephone Company and its affiliates has over 12,000 internet accounts to over 11,500 customers.

Somerset Telephone Company has the financial, technical and organizational capacity to complete this project on time. Somerset Telephone Company and its affiliates have completed 10 FTTH PSC Grants to date and currently working on 3 more. These 13 grants will pass 2,800 locations. Construction on the grants were completed on time and on budget. Somerset Telephone Company and affiliates are also in the process of completing A-CAM construction and continues on a daily basis to extend fiber service to other areas.

Network quality and reliability in today's world is most important and FTTH is only as good as the core network and middle mile that continues to provide connection to the internet. This part is often overlooked. Somerset Telephone Company is providing core internet with WIN Technology, LLC, which is owned by Somerset Telephone Company and 30 other broadband companies in the state. WIN provides highly reliable low latency core and middle mile internet services to Somerset Telephone Company and a large part of the state with multiple direct connections to major internet hubs. The network is monitored 24/7 and capacity on core routers and middle mile is limited at 50% to maintain full service if any router or fiber ring should fail. The WIN supported network has more than 100,000 mostly rural customers. Our size allows us to use caching to improve the efficiency of the network and give faster response times to our customers. Thirty seven percent of all internet traffic is cached locally. Somerset Telephone Company' dual routers and network are monitored 24/7 to make sure of continued service with no blockage or slowdowns.

Customer satisfaction increases with every FTTH location installed. The Covid pandemic has taught us that speed is now more important than ever. Virtual school, working from home, healthcare and video streaming has rapidly increased the need for speed. 1 Gbps service over FTTH to each location should meet the need for many years. Customer retention for those that have fiber is very high and our experience shows that if there is a disconnect of service, it is almost entirely due to a customer move.

b) The project will not duplicate any existing high-speed broadband infrastructure in the area.

- c) Somerset Telephone Company has the financial ability to undertake the proposed construction project and has excellent experience in all earlier PSC Grants. (See a above).
- d) There is no middle mile proposed.
- e) There is no middle mile proposed.
- f) All customers that request Somerset Telephone broadband service will have more than sufficient broadband speed available to have access to health care facilities from their home. This broadband service will help reduce health care costs for transportation to medical facilities, office visit charges and provide faster response times.
- g) All customers that request Somerset Telephone Company broadband services will be pleased to know that all students in the household will have more than adequate broadband speeds for all homework assignments, research and access to all educational opportunities on the web.
- h) St. Croix County has put in a lot of work on improving broadband in the County. They hired consultants, conducted citizen surveys, and invited all local provider in to discuss the needs of the county. St. Croix County is providing \$425,975 of the cost of the project to extend broadband in this area. The Township of Stanton is supportive of this project and will provide \$10,000.
- i) Letters of support

4.5.3.

In conclusion, this application for a PSC Grant has the following:

- a) Somerset Telephone Company and its partners will fund 67% of the total construction of this project and 51% of the mainline construction. Engineering, staking, inspection, service drops, and electronics for the house will be paid by Northwest Communications.
- b) This project is a public-private partnership with St. Croix County contributing \$425,975 and the Town of Stanton contributing \$10,000.
- c) This grant request is in an underserved area.
- d) This project will serve 339 customers in the Township of Stanton with 1 gigabit Broadband service.
- e) This project will have capacity to extend beyond this serve area.
- f) These parts of St. Croix County have higher potentials to show economic and job growth because of the short distance to Minneapolis and St. Paul. Faster broadband speeds would increase the ability for remote work, school, and healthcare.
- g) This application does not impair the ability of competing broadband service providers to adjacent areas and therefore meets the requirements for this grant application.



March 7, 2022

Northwest Communication
Attn: Greg Cardinal
116 Harriman Ave N
Amery, WI 54001

RE: St. Croix County Broadband Grant Award

The St. Croix County Broadband Committee has approved your grant request.

- Town of Stanton project for \$425,975.00

The St. Croix County grant is contingent on your organization becoming an ACP qualified provider prior to grant disbursement. All grant projects must be constructed by the end of 2024, though an extension is possible under extraordinary circumstances. The grant is a reimbursement grant after the project is constructed.

St. Croix County looks forward to partnering with you on this project and encourages you to apply for additional project funding if available. Please keep us posted on the status of your project.

Respectfully,

Ken Witt

Ken Witt
County Administrator

TOWN OF STANTON
ST. CROIX COUNTY, WISCONSIN

2245 County Road T, Deer Park, Wisconsin 54007
Phone: 715-248-4550 Fax: 715-248-3089

March 11, 2022

Greg Cardinal, Plant Manager
Northwest Communications
116 Harriman Ave N
Amery, WI 54001

RE: ARPA FUNDS

Dear Mr. Cardinal:

The Town of Stanton supports the project due to the increasing need for broadband and the lack of speeds offered by the current provider with no plans to upgrade.

The Town Board, at their regular monthly meeting a motion was made and passed to distribute \$10,000 of the ARPA funds to Northwest Communications for their fiber project in the Town of Stanton.

Thank you,



Sharon G. Balcerek
Clerk-Treasurer



Westfields Hospital & Clinic

HealthPartners®

Date: 3/15/2022

RE: Broadband Service Needed for Rural Health

To Wisconsin Public Service 2022 Grant Program:

Westfields supports the PSC grant applications from Northwest Communications, Somerset Telephone and its affiliates to build Fiber to The Home broadband projects to areas close to the Westfield Hospital & Clinic in New Richmond. The 3 grant areas are Richmond Township, Stanton Township and the City of New Richmond, these are all in our service area.

Westfields has made great progress in using broadband communication as a part of health care. The pandemic caused us to rapidly move to virtual visits for our patients appropriately and as often as we could to keep our community safe. In doing so, it was quickly recognized that unfortunately customers just 3 miles from our location do not have adequate internet speeds to use remote health care to its fullest. This option continues to be a preferred method for many of our patients and health care providers. We need to work to remove as many barriers as we can so this method of health care delivery continues to be a viable option for our patients.

Westfields Hospital & Clinic has employees that work from home and rely on effective, strong broadband in order to do their jobs from home on a daily basis.

The ability to trust that broadband services is essential in health care delivery today. For some it is the ability to access their plan of care on line from home, order prescriptions, a virtual face to face visit, or on line counseling. We are certain that this support for a grant to improve this will directly impact the health care of our community.

Thank you for considering,

Leanne Roggemann RN
Vice President Patient Care Services/CNO
Westfields Hospital & Clinic
535 Hospital Rd.
New Richmond, WI 54017